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**MOREHOUSE PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Bastrop, Louisiana**

**Financial Statements With
Independent Auditor's Report
As of and for the Year Ended
June 30, 1996**

MOREHOUSE PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Bastrop, Louisiana

Financial Statements With
Independent Auditor's Report
As of and for the Year Ended June 30, 1996

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Independent Auditor's Report

MOREHOUSE PARISH SHERIFF AND EX-OFFICIO PARISH TAX COLLECTOR Bastrop, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Morehouse Parish Sheriff as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Morehouse Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in note 1, the Morehouse Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Morehouse Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Further, the accompanying financial statements have been prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

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116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

MOREHOUSE PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Bastrop, Louisiana
Independent Auditor's Report,
June 30, 1996

In my opinion, the financial statements referred to in the first paragraph present fairly the assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Morehouse Parish Sheriff as of June 30, 1996, and the collections and distributions for the year then ended, on the basis of accounting as described in note 1B.

In accordance with *Government Auditing Standards*, I have also issued reports dated August 1, 1996, on the Morehouse Parish Sheriff's compliance with laws and regulations and my consideration of the agency's internal control structure.



West Monroe, Louisiana
August 1, 1996

FINANCIAL STATEMENTS

MOREHOUSE PARISH SHERIFF
Bastrop, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Assets and Liabilities
Arising from Cash Transactions
June 30, 1996

ASSETS

Cash and cash equivalents

\$389,237

LIABILITIES

Due to taxing bodies and others

\$389,237

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH SHERIFF
Bastrop, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions, and
Unsettled Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 1996

UNSETTLED BALANCES, JUNE 30, 1995	<u>\$331,299</u>
 COLLECTIONS	
Ad valorem taxes:	
Current year	6,251,882
Prior year	32,915
Ad valorem taxes paid under protest	61,598
State Revenue Sharing	685,293
Sportsman licenses	93,938
Occupational licenses	39,234
Video poker licenses	3,229
Beer and liquor licenses	8,627
Interest on:	
NOW accounts	21,216
Delinquent taxes	6,790
Protested taxes held in escrow	6,931
License accounts	396
Auto dealers account	2,826
Redemptions	25,518
Tax notices, etc.	14,462
Refunds	18,812
Total collections	<u>7,273,667</u>
Total	<u>7,604,966</u>
 DISTRIBUTIONS	
Louisiana Department of Forestry	9,374
Louisiana Tax Commission	3,013
Louisiana Department of Wildlife and Fisheries	75,744
Tensas Basin Levee District	95,351
Morehouse Parish:	
Assessor	324,821

(Continued)

Statement B

MOREHOUSE PARISH SHERIFF
Bastrop, Louisiana
TAX COLLECTOR AGENCY FUND
Statement of Collections, Distributions,
and Unsettled Balances Due to
Taxing Bodies and Others,
For the year ended June 30, 1996

DISTRIBUTIONS: (CONTD.)

Morehouse Parish: (contd.)

Police Jury	\$1,939,018
School Board	3,095,204
Sheriff	611,827
Library	322,577
Ward 2 Cemetery District	5,568
Ward 2 Fire District No. 1	46,205
Ward 5 Fire District No. 1	21,036
Ward 6 Fire District No. 1	64,026
Ward 8 Fire District No. 1	19,653
Ward 10 Fire District No. 1	21,073
Bastrop Fire District No. 2	131,742
Fire District No. 2	196,043
Bonne Idee Drainage District	6,935
Pension funds	185,576
Refunds	18,799
Other settlements	22,144
Total distributions	<u>7,215,729</u>
UNSETTLED BALANCES, JUNE 30, 1996	<u><u>\$389,237</u></u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH SHERIFF
Bastrop, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements
As of and For the Year Ended June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, parish licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

A. REPORTING ENTITY

Louisiana Revised Statute 24:513(B) requires the accounts of each parish tax collector to be audited annually. Accordingly, the accompanying financial statements reflect the financial activity of the sheriff related only to his responsibility as ex-officio parish tax collector. Amounts included in these financial statements are also included in the sheriff's annual component unit financial statements.

B. BASIS OF ACCOUNTING

The accounts of the parish tax collector are established to reflect the collections imposed by law, and the distributions pursuant to such law, and unsettled balances due various tax recipient bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions recognized when paid.

C. CASH AND CASH EQUIVALENTS

State law authorizes the sheriff to deposit tax collections, in interest bearing accounts, with a bank domiciled in the parish where the funds are collected. Further, the sheriff may invest these deposits in certificates of deposit or other investments permitted by law.

At June 30, 1996, the sheriff has cash and cash equivalents (book balances) totaling \$389,237, as follows:

MOREHOUSE PARISH SHERIFF
 Bastrop, Louisiana
 TAX COLLECTOR AGENCY FUND
 Notes to the Financial Statements (Continued)

Demand deposits	\$112,070
Time deposits	<u>277,167</u>
Total	<u>\$389,237</u>

At June 30, 1996, the sheriff has cash and cash equivalents (bank balances) totaling \$413,134. All cash and cash equivalents are deposited in interest bearing accounts which are fully secured by federal deposit insurance.

2. STATE REVENUE SHARING FUNDS

The state revenue sharing funds provided by Act 1220 of 1995 were distributed as follows:

Morhouse Parish:	
Assessor	\$49,930
Police Jury	190,711
School Board	244,597
Library	37,243
Sheriff	94,495
Ward 2 Cemetery	585
Bastrop Fire District	36,899
Ward 6 Fire District	2,129
Ward 10 Fire District	919
Tensas Basin Levee District	10,229
Pension funds	<u>17,556</u>
Total	<u>\$685,293</u>

3. AUTO DEALER TAXES

Louisiana Revised Statute 47:1961.2 requires that motor vehicle dealers in the parish make monthly transfers to the tax collector of estimated ad valorem taxes due on motor vehicles sold during the month. The remittances are deposited into a separate interest bearing account. During December of each year, each dealer's actual tax liability is determined. If additional taxes are due from a motor vehicle dealer, the dealer shall remit the additional taxes to the tax collector for settlement of the tax liabilities to the various taxing districts. Any payments exceeding the tax liabilities shall be apportioned to the taxing districts. The following schedule provides detail on changes in the separate motor vehicle dealer account during the period ended June 30, 1996:

MOREHOUSE PARISH SHERIFF
 Bastrop, Louisiana
 TAX COLLECTOR AGENCY FUND
 Notes to the Financial Statements (Continued)

Balance at June 30, 1995	\$66,726
Remittances	110,482
Interest earned on account	2,826
Transfers to tax collector account	<u>(125,550)</u>
Balance at June 30, 1996	<u>\$54,484</u>

4. TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid shall be segregated and held by the tax collector for a period of thirty days. If suit is filed within the thirty day period for recovery of such amounts, the funds segregated shall be held pending outcome of the suit. If the taxpayer prevails, the tax collector shall refund the amount due, with interest at the rate of two per cent per annum from the date the funds were received by the tax collector. The following schedule shows protested taxes and interest held in escrow accounts pending final settlement of the suits.

	<u>Amount</u>
Telecable Associates, Inc:	
1990 tax roll	\$27,026
1991 tax roll	23,871
1992 tax roll	31,317
1993 tax roll	51,592
1994 tax roll	54,752
1995 tax roll	51,219
ANR Pipeline Company:	
1994 tax roll	7,882
1995 tax roll	<u>10,379</u>
Total protested taxes	258,038
Interest on protest taxes	<u>19,129</u>
Total protested taxes and interest	<u>\$277,167</u>

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance with laws and regulations, and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



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Independent Auditor's Report on Compliance With Laws and Regulations

MOREHOUSE PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR
Bastrop, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Morehouse Parish Sheriff as of June 30, 1996, and for the year then ended and have issued my report thereon dated August 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations, applicable to the Tax Collector Agency Fund, is the responsibility of the sheriff's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the sheriff's compliance with certain provisions of laws and regulations. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

MOREHOUSE PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR
Bastrop, Louisiana
Report on Compliance With
Laws and Regulations,
June 30, 1996

This report is intended for the use of management of the Morehouse Parish Sheriff and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'C. M. ...', written in a cursive style.

West Monroe, Louisiana
August 1, 1996



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Independent Auditor's Report on Internal Control Structure

MOREHOUSE PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR
Bastrop, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Morehouse Parish Sheriff as of June 30, 1996, and for the year then ended and have issued my report thereon dated August 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Morehouse Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles or other comprehensive basis of accounting. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Morehouse Parish Sheriff's Tax Collector Agency Fund for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control

MOREHOUSE PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR

Bastrop, Louisiana

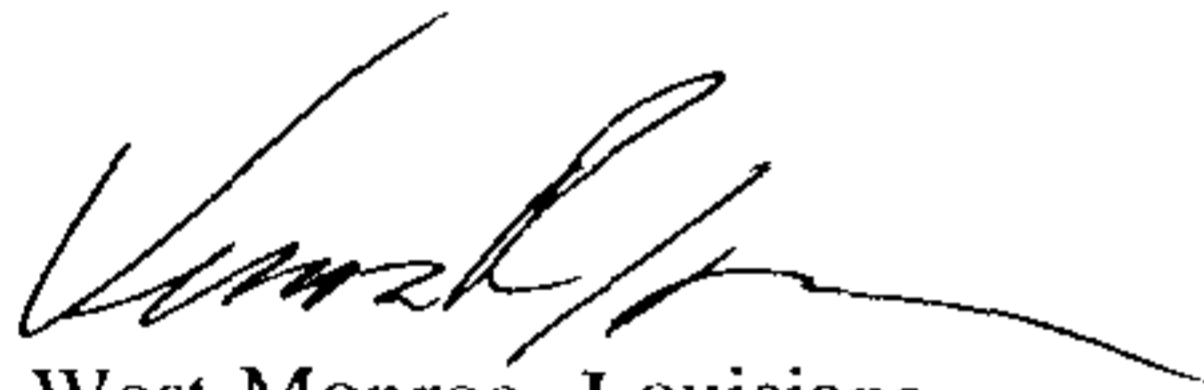
Report on Internal Control Structure,

June 30, 1996

risk, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the use of management of the Morehouse Parish Sheriff and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

August 1, 1996